

EXHIBIT G

ANIMAL WELFARE COMMITTEE MEETING

January 21, 2003

Atlanta, Ga.

MINUTES

Call To Order: Chairman Paul Bahan called the meeting to order at 8:00 AM with the following being present:

Committee Members: Kurt Kreher – Mark Oldenkamp – Steve Herbruck – Paul Bahan
David Thompson – Garth Sparboe – Brian Barrett – Kurt Lausecker – Steve Storm – Ky Hendrix
Bob Krouse – Mike Bynum – Joe Fortin –

Staff & Guest: Wayne Winslow – Arnie Riebli – Brian Joyner – Ric Sundal
Gregg Clanton – Bill Rehm – Andy Mahard – Ernest Mahard – Dave Rettig – Debbie Murdock
Beth Schnell – Bill Goucher – Wayne Carlson – Rod Smith – Cal Jackson – Carl Lofgren
John Todd – Nick Evans – Jim Denblekler – Loren Asche – John Mueller – Terry Profit
Jerry Kil – Irving Isaacson – Al Pope – Linda Reickard – Bob Sparboe – Cal Schipper
Howard Magwire – Craig Morris – Ray Chambers – Danny Linville – Jack Shuford
Marcus Rust – Steve George – Gene Gregory

Minutes: The minutes from a November 14, 2002 conference call and motions from the October annual meeting were presented.

Motion: It was moved by Oldenkamp and seconded by Thompson to approve the minutes as presented. Carried.

Audit Schedule: Gregory announced that all Certified Companies were being sent a letter identifying the month in which each company must arrange for an audit to be conducted by either USDA or ARPAS.

In recognition of the current Newcastle crisis in Southern California and the need to maintain strict biosecurity, it was recommended that staff send a letter to all California Certified Companies asking them not to schedule their audits until after the quarantine is lifted and it is safe to enter the farms.

Audit Procedures: Steve Storm and Bob Krouse reported on meetings with USDA and ARPAS in the development of auditing procedures or (guidelines for conducting animal welfare audits). Storm further reported on a “mock audit” and auditor training that was conducted at the Cal-Maine/Edwards farm.

Howard Magwire of USDA/AMS reported on the training of auditors. He further reported that during the first year of the program, USDA plans to visit every facility for each company that request USDA’s audit service. Recognizing both the potential workload and cost involved, it is not feasible to conduct all these audits within a few months. Therefore, USDA plans to visit at least five (5) facilities for each company by May 31, 2003. The company status will be determined from these inspections. USDA then plans to visit all the remaining company facilities by February 2004. For those companies that have one to five facilities, all their farms will be visited by May, 2003.

Magwire further reported that the department was considering not maintaining any records in their files once the audits were completed in order to protect private information of producer's facilities from the Freedom of Information Act.

Ky Hendrix expressed concern with the item in the audit procedures under Housing & Space Allowance that stated: *Pullets placed in large capacity housing may originate from multiple hatch dates. For identification purpose, the layer house age will be recognized as the latest hatch date of layers placed in the house.* After considerable discussion, the following motion was made:

Motion: It was move by Hendrix and seconded by Fortin to change the above to read as: *For identification purpose, the layer house age will be recognized as the date on which the majority of the birds were hatched to supply the layer house.* Carried

Mark Oldenkamp recommended that the audit procedures manual should clearly identify that the sections for beak trimming, molting, handling & transportation began with implementation effective July 1, 2003. He further recommended that the audit reference for question # 5 of beak trimming (*"were nutritional supplements provided before and after trimming"*), should include adding supplements to water and/or feed.

Space Requirement For New Or Remodeled Facilities: Staff recommended that a policy be established in regard to the space per hen guidelines once the house average phase-in period has reached the 67 inches per hen.

Motion: It was moved by Oldenkamp and seconded by Herbruck to establish a policy stating that the "house average" space allowance will be permitted for any buildings and equipment purchased or contracted for prior to April 1, 2003 and installed by December 31, 2003. Any equipment purchased or contracted for or built after these dates must accommodate the placement of hens after August 1, 2008 at a **minimum** of 67 square inches per hen for White leghorn hens and 76 square inches for Brown egg layers. Carried

Copyright of Guidelines: Irving Isaacson reported work was in process to file for copyright of UEP's Animal Welfare Guidelines, Certification and Logo.

Beak Treatment: Gregory reported that new equipment developed by Nova-Tech Engineering showed promised for being able to treat (rather than trim) chick's beaks at day old in the hatchery. He reported this would be referred to the Scientific Advisory committee for recommendations.

Challenge to 100% Policy and Co-Mingling: Garth Sparboe reported that he was representing the interest of several companies with marketing arrangements with Michael Foods and Sunny Fresh Foods and this group represented about 50 million layers. He presented a case for compromises that had been made in the implementation of the welfare guidelines by FMI/NCCR and the industry and asked the committee to give consideration to compromises that would allow this group of producers to phase-into the program as their market needs occurred. He reported having participating in a conference call with Paul Bahan, Irving Isaacson, Al Pope and Gene Gregory on January 17th at which time he requested the opportunity to put forth two motions to the animal welfare committee. He then introduced the following motions:

Motion: It was moved by Garth Sparboe and seconded by Krouse that the co-mingle motion approved at the October annual meeting be referred back to the Animal Welfare Committee before being implemented. Carried.

Motion: It was moved by Sparboe and seconded by Fortin to appoint a compromise committee made up of 3 members of Sparboe's group and 3 members selected by Committee Chairman Paul Bahan for the purpose to determine if a compromise could be reached on the 100% facility and co-mingle directive. To, meet as quickly as possible and report back to the Animal Welfare Committee within 30 days. Carried.

Backfill of Layer Houses: Gregory reported that several producers have asked for the status of being allowed to back fill layer houses. He reported that backfilling was allowed of any houses regardless of whether the hatch occurred before or after April 1, 2002 so long as the layers per house did not exceed the required "house average" space allowance. He asked if anyone wanted to speak to changing this policy. There was no recommendation for change.

Adjourn: There being no further business to be conducted, the meeting was adjourned at 11:15 AM.

Recorded by: Gene Gregory